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Referred: Transportation, Resources
and Finance

1 IN THE HOUSE

BY ZHAROFF AND GRUSSENDORF

2

HOUSE BILL NO. 150

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act repealing the tax on motor fuel used in or on
7 watercraft; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.40.010(a) is amended to read:

10 (a) There is levied a tax of eight cents a gallon on all motor
11 fuel sold or otherwise transferred within the state, except that

12 (1) the tax on aviation gasoline is four cents a gallon,
13 and

14 [(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL
15 DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

16 (3) the tax on all aviation fuel other than gasoline is two
17 and one-half cents a gallon.

18 * Sec. 2. AS 43.40.010(b) is amended to read:

19 (b) There is levied a tax of eight cents a gallon on all motor
20 fuel consumed by a user, except that

21 (1) the tax on aviation gasoline consumed is four cents a
22 gallon, and

23 [(2) THE TAX ON MOTOR FUEL USED IN AND ON WATERCRAFT OF ALL
24 DESCRIPTIONS IS FIVE CENTS A GALLON, AND]

25 (3) the tax on all aviation fuel other than gasoline is two
26 and one-half cents a gallon.

27 * Sec. 3. AS 43.40.010(g) is amended to read:

28 (g) The proceeds of the revenue from the tax on all motor fuels,
29 except as provided in (e)[, (f)] and (j) of this section, shall be

1 deposited in a special highway fuel tax account in the state general
2 fund. The legislature may appropriate money [FUNDS] from it for
3 expenditure by the Department of Transportation and Public Facilities
4 [PUBLIC WORKS] directly or as matched with available federal-aid
5 highway money for maintenance of highways, construction of highway
6 projects and ferries included in the program provided for in AS 19.-
7 10.150, including approaches, appurtenances and related facilities and
8 acquisition of rights-of-way or easements, and other highway costs
9 including surveys, administration, and related matters. All depart-
10 ments of the state government authorized to spend money [FUNDS] col-
11 lected from taxes imposed by AS 43.40 shall perform, when feasible,
12 all construction or reconstruction projects by contract after the
13 projects have been advertised for competitive bids, except that, when
14 feasible, arrangements shall be made with political subdivisions to
15 carry out the construction or reconstruction projects. If it is not
16 feasible for the work to be performed by state engineering forces, the
17 commissioner of Transportation and Public Facilities [PUBLIC WORKS]
18 may contract on a professional basis with private engineering firms
19 for road design, bridge design, and services in connection with sur-
20 veys. If more than one private engineering firm is available for the
21 work the contracts shall be entered into on a negotiated basis.

22 * Sec. 4. AS 43.40.030(a)(2) is amended to read:

23 (2) the motor fuel is not aviation fuel [, OR MOTOR FUEL
24 USED IN OR ON WATERCRAFT]; and

25 * Sec. 5. AS 43.40.100(2) is amended to read:

26 (2) "motor fuel" means fuel used in an engine for the
27 propulsion of a motor vehicle or aircraft, and fuel used [IN AND ON
28 WATERCRAFT FOR ANY PURPOSE, OR] in a stationary engine, machine or
29 mechanical contrivance which is run by an internal combustion motor;

- 1 "motor fuel" does not include
- 2 (A) fuel consigned to foreign countries;
- 3 (B) fuel sold for use in jet propulsion aircraft
4 operating in flights to foreign countries;
- 5 (C) fuel used in stationary power plants operating as
6 public utility plants and generating electrical energy for sale to the
7 general public;
- 8 (D) fuel used by nonprofit power associations or
9 corporations for generating electric energy for resale;
- 10 (E) fuel used by charitable institutions;
- 11 (F) fuel which is at least 10 percent alcohol by
12 volume;
- 13 (G) fuel sold or transferred between qualified
14 dealers;
- 15 (H) fuel sold to federal, state, and local government
16 agencies for official use;
- 17 (I) fuel used in stationary power plants that generate
18 electrical energy for private residential consumption;
- 19 (J) fuel used to heat private or commercial buildings
20 or facilities [, OR];
- 21 (K) fuel used for other nontaxable purposes as pre-
22 scribed by regulations adopted by the department; or
- 23 (L) fuel used in and on watercraft for any purpose;

24 * Sec. 6. AS 43.40.010(f) is repealed.

25 * Sec. 7. This Act takes effect July 1, 1983.